

APPENDIX A

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QUITCLAIM DEEDSTATE DEED TAX DUE HEREON: \$ EXEMPTDate: June 17, 2004

KNOW ALL MEN BY THESE PRESENTS that the UNITED STATES OF AMERICA, acting by and through the Administrator of General Services, under and pursuant to the general authority contained in the provisions of the Federal Property and Administrative Services Act of 1949, (63 Stat. 377, 40 USC 471 et. seq.) as amended, and Public Law 98-181, approved November 3, 1983, (97 Stat. 1175), Public Law 105-50, approved October 6, 1997, Public Law 105-119 Section 118, approved November 26, 1997, Public Law 106-113, approved November 29, 1999, and the rules, regulations and orders promulgated thereunder, having an address of General Services Administration, New England Region, Thomas P. O'Neill Federal Building, 10 Causeway Street, Boston, Massachusetts 02222, on behalf of the United States of America and all of its agencies, including but not limited to the U.S. Navy, (the "Grantor") for and in consideration of Six Million Five Hundred Thousand and No/100 Dollars (\$6,500,000.00), the receipt of which is hereby acknowledged, does hereby GRANT, GIVE, REMISE, RELEASE, CONVEY, AND QUITCLAIM, without warranties or representations of any kind or nature, express or implied, unto UNITED DEFENSE, L.P., a Delaware limited partnership, with an address of 4800 East River Road, Minneapolis, Minnesota, 55421 (the "Grantee"), its successors and assigns all such right, title, and interest as the Grantor has in and to certain real property, totaling 80.35 acres, located in the City of Fridley, Anoka County, State of Minnesota and more particularly described in Exhibit I of this Deed, together with any improvements located thereon (the "Property").

CONDITION OF PROPERTY. The Grantee, in accepting this Deed, acknowledges and attests that it has inspected, is aware of, and accepts the condition and state of repair of the Property. It is understood and agreed that the Property is conveyed 'as is' and 'where is' without any representation, warranty or guarantee of any kind or nature, express or implied, including, without limitation, any representation, warranty or guarantee as to quantity, quality, character, condition, size or kind, or that the same is in

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any particular condition or fit to be used for any particular purpose. The Grantee, in accepting this Deed, acknowledges that the Grantor has made no representation or warranty concerning the condition or state of repair of the Property that has not been fully set forth in this Deed.

EASEMENTS, LICENSES AND PERMITS. The Property is conveyed subject to any and all existing reservations, easements, restrictions, covenants, and rights, recorded or unrecorded, including those for roads, highways, streets, railroads, power lines, telephone lines and equipment, pipelines, drainage, sewer and water mains and lines, public utilities and rights-of-way, and including but not limited to, any specific easements, reservations, rights, and covenants described herein; any state of facts that would be disclosed by a physical examination of the Property; any state of facts that an accurate and adequate survey of the Property would disclose; and any and all other matters of record. The U.S. Navy ("Navy") shall be responsible for obtaining and maintaining applicable permits and licenses associated with Federal Facility Agreement (FFA) activities, although nothing herein shall be construed to preclude a subsequent agreement between any third party (including Grantee or subsequent grantees) and the Navy for the acquisition, transfer and/or maintenance of such permits or licenses with appropriate regulatory review and concurrence.

COVENANTS, CONDITIONS AND RESTRICTIONS. The Property is conveyed subject to the following further covenants, conditions, matters and restrictions. All of the covenants, conditions, restrictions and obligations described in this Deed run with the Property and are binding upon the Grantee and its heirs, successors and assigns. Grantee's acceptance of this Deed is an acknowledgement that it is bound by all such covenants, conditions, restrictions and obligations:

A. LAND USE CONTROLS (LUC)

1. Categorical Land Use Restriction:

Grantee on behalf of itself, its lessces, licensees, successors and assigns covenants that the Property shall be used only for industrial or restricted commercial uses unless the U.S. Environmental Protection Agency (EPA) and the Minnesota Pollution Control Agency (MPCA) determine that the concentrations of hazardous substances in the soils on the Property allow for less restrictive uses. Permissible industrial uses shall include, but not be limited to, the following types of uses: public utility services, rail and freight services, raw storage facilities, refined material storage facilities, and manufacturing facilities engaged in the mechanical or chemical transformation of materials or substances into new products. Permissible restricted commercial uses shall include those where access or occupancy by non-employees is less frequent or is restricted, including a wide variety of uses, ranging from non-public access and both outdoor and indoor activities (e.g., large scale warehouse operations), to limited public access and indoor worker activities (e.g., shopping mall, retail outlet, bank, dentist office). Strictly

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prohibited uses under either category shall include any child care or pre-school facility, playground, any form of housing, churches, social centers, hospitals, elder care facilities or nursing homes.

2. Well Installation / Groundwater Extraction Restriction:

Grantee on behalf of itself, its lessees, licensees, successors and assigns covenants that no water supply wells shall be installed on the Property nor shall any groundwater be extracted from beneath the Property without prior written approval from the EPA, MPCA and the Minnesota Department of Health. Notwithstanding the foregoing, treated groundwater meeting State surface water requirements may be used for non-contact cooling purposes if it is subsequently discharged into the Mississippi River. This restriction shall also not apply to Grantee's installation of any new groundwater monitoring wells on the Property upon request of the Navy, where the Navy has already obtained all necessary regulatory approvals for such installations.

3. Soil Disturbance Restrictions:

a. Soils Beneath Main Industrial Building

Grantee on behalf of itself, its lessees, licensees, successors and assigns covenants that no soil disturbance or alteration of any nature shall take place beneath the concrete pit floor (approximately 8 to 12 feet below floor grade) where metal finishing operations previously occurred at the former Plating Shop within the Main Industrial Building without the prior written approval of the EPA and MPCA. Exhibit 2 which is attached and incorporated herein by reference reflects the area to which this restriction applies. Any soils excavated from any Designated Restricted Area as identified in Exhibit 2 shall not be removed from the Property unless such removal is approved in writing in advance by the EPA and MPCA at the time such removal and disposal is proposed.

b. Soils Outside Main Industrial Building

Grantee on behalf of itself, its lessees, licensees, successors and assigns covenants that no soil disturbance or alteration of any nature shall take place greater than the depths in those Designated Restricted Areas as identified in Exhibit 2 which is attached and incorporated herein by reference, without the prior written approval of the EPA and MPCA. Any soils excavated from any Designated Restricted Area shall not be removed from the Property unless such removal is approved in writing in advance by the EPA and MPCA at the time such removal and disposal is proposed.

c. Soils Outside Designated Restricted Areas

This restriction does not apply, and no prior approval of the EPA or MPCA shall be required with respect to activities on any portion of the Property outside of these Designated Restricted Areas, including without limitation activities related to maintenance or repair of existing buildings, structures, underground sewer, water, gas, electrical or telephone services, or installation of fencing and signage when such activities are not expected to, or are not reasonably likely to result in, any disturbance of or intrusion into soil/groundwater within the Designated Restricted Areas.

4. Non-Interference Restriction:

Grantee on behalf of itself, its lessees, licensees, successors and assigns covenants that it shall not unreasonably hinder or prevent the Navy from constructing, upgrading, operating, maintaining and monitoring any groundwater treatment facilities and groundwater monitoring network or engage in any activity that would (i) cause the Navy to violate any Health and Safety Plan put into effect and directly related to its performance of the Federal Facilities Agreement at the Property or (ii) otherwise disrupt or hinder further remedial investigation, response actions or oversight activities related to its performance of Federal Facility Agreement activities on the Property.

5. Required Notices / Certifications:

a. Desired Change in Land Use

Grantee on behalf of itself, its lessees, licensees, successors and assigns covenants that it will provide advance written notice to the EPA, MPCA and the Navy of its desire to use the Property for anything other than industrial or restricted commercial use. Such notice shall include a description of its plans for undertaking any environmental investigation and/or cleanup activities necessary to permit such a change in land usage. Grantee on behalf of itself, its lessees, licensees, successors and assigns ensure that such activities will not conflict with or adversely affect any ongoing remedial systems or future investigative or remedial activities to be undertaken by the Navy on the Property.

b. LUC Compliance Certification

Grantee on behalf of itself, its lessees, licensees, successors and assigns covenants that it shall provide annual written certifications by March 1st of each year to the EPA, MPCA and the Navy regarding continued compliance with those Land Use Controls (LUCs) implemented through deed recordation for as long as such LUCs remain in place to ensure adequate protection of human health and the environment. Such annual

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certifications shall be based upon annual physical inspections of the Property and shall be provided using the form in Exhibit 3.

6. LUC Remedial Design Acknowledgment

Grantee on behalf of itself, its lessees, licensees, successors and assigns acknowledges that it has been provided with a copy of the Navy's Land Use Control Remedial Design (LUC RD) for the Property dated March 2004, which contains certain information pertaining to, and specific representations made by, the Navy to EPA and MPCA officials regarding LUC performance objectives, LUC maintenance, and specific conditions for future LUC modification / termination and enforcement.

7. Transfer of LUC Responsibilities & Release

In the event the Grantee, or any successor or assigns (hereafter "Subsequent Grantors") shall convey any of the Property by deed and shall transfer to the party to whom the Property is transferred (hereafter "Subsequent Grantees") any requirements, duties and obligations identified in Section A, then as of the date of such transfer the Subsequent Grantees shall be bound by such requirements, duties and obligations and the Subsequent Grantors shall thereafter have no further responsibility with respect thereto.

B. CERCLA / MERLA NOTICES & ACCESS PROVISIONS

1. CERCLA Notice:

In accordance with Section 120(h)(3)(A)(i) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9620(h)(3)(A)(i) ("CERCLA"), notice is hereby provided, based upon a complete search of Department of the Navy files believed to be relevant upon the date of transfer, as to those hazardous substances known to have been stored for one year or more, released, or disposed of on the Property; the time such storage, release or disposal took place; and those remedial action(s), if any, taken to address such contamination as follows:

a. Storage / Release

Exhibit 4 to this Deed provides notice as to those hazardous substances which it is known were stored for one year or more on the Property in excess of their respective reportable quantities as delineated under 40 CFR 373. Based upon available agency files, trichloroethene (TCE) is the most significant hazardous substance present in soil and groundwater on or beneath the Property. Although other hazardous substances have been detected in soil and groundwater on or beneath the Property, there are no available records evidencing when the hazardous substances were released or at what quantities. The Remedial Investigation ("RI") Reports for Operable Units #2 and 3 provide further

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information regarding those hazardous substances that have been found to exist in soils and/or groundwater.

b. Remedial Activities Undertaken

Exhibit 5 to this Deed summarizes those investigative and remedial activities taken to date by the Navy to address known releases to the environment of CERCLA hazardous substances on or beneath the Property. Further detailed information as to what actions have been taken may be found in the Administrative Record for the Property.

2. MERLA Notice:

The Grantor represents that this Deed and Exhibits 4 and 5 to this Deed as herein provided to the Grantee for recordation, fulfill the informational requirements specified under Minnesota Statute Sec. 115B.16, subd. 2, with regard to providing information concerning known or reasonably ascertainable past hazardous substance releases on the Property.

3. Access

In accordance with CERCLA Section 120(h)(3)(A)(iii), Grantor reserves a right of access to the Property in any case in which a remedial action, response action or corrective action is found to be necessary by the Navy, EPA or MPCA, after the date of conveyance of the Property. Pursuant to this reservation, the Navy, EPA, and MPCA and their officers, agents, employees, contractors and subcontractors shall have the right (upon reasonable notice to the Grantee or Subsequent Grantee(s) and any authorized occupant of the Property) to enter upon the Property and conduct investigations and surveys, to include drillings, test-pitting, borings, data and record compilation, and other activities related to environmental investigation and to carry out remedial or removal actions as required or necessary under applicable authorities, including but not limited to monitoring wells, pumping wells, and treatment. While any actions required pursuant to statute or regulation to be undertaken by the Navy must take priority, such activities, responses or remedial actions, shall be coordinated with the Grantee or its successors, assigns, and tenants and the Navy shall use reasonable efforts to perform such activities in a manner that minimizes interruption with the Grantee's or its successor's activities on the Property. This access includes the right to, and use of, to the extent permitted by law, available utilities at reasonable direct (non-overhead) cost to the Navy. Subject to the availability of funds, the Navy will reimburse Grantee or Subsequent Grantee(s) on a quarterly basis, for costs incurred by Grantee or Subsequent Grantee(s) for the Navy's use of utilities in connection with the operation, maintenance, repair, replacement, modification and removal of any and all wells, pumps, piping, tanks, and other apparatus and equipment used for remediation of groundwater and soil. The Navy shall make a

good faith effort to obtain funding for this purpose. Grantee, its lessees, licensees, successors and assigns shall bear all reasonable costs of replacement and/or relocation of remediation installations and equipment of Grantor necessitated by changes to the Property made by Grantee, its lessees, successors and assigns. Grantor and Grantee shall be responsible for their respective shares of liability, in accordance with applicable law (including but not limited to CERCLA, the Federal Tort Claims Act, and the federal Anti-Deficiency Act), for all property loss, damage, replacement or relocation and all personal injuries (including death) caused by their respective conduct associated with the operation, maintenance, repair, replacement, modification and/or removal of such equipment of Grantor. Grantor shall provide to Grantee, upon request, the certificates of insurance of any contractor directly employed by Grantor who may perform environmental investigative or remedial work on the Property to evidence the fact that such contractor has in effect, those insurance coverages required by Federal Acquisition Regulations under the specific government contract controlling its performance of work on the Property, but in any event and at a minimum: workers' compensation insurance at the levels required by State and Federal law; comprehensive general liability insurance in amounts not less than \$500,000 and automobile liability insurance in amounts not less than \$200,000 per person and \$500,000 per occurrence for bodily injury including death and \$20,000 per occurrence for property damage. Grantee shall be listed by its name "United Defense, L.P.," along with the "United States," as Named Insureds on all such insurance coverages.

4. Federal Facilities Agreement

Grantor has entered into a Federal Facilities Agreement with the EPA and the MPCA which established a procedural framework and schedule for developing, implementing and monitoring appropriate response actions at the site in accordance with CERCLA, MERLA other applicable federal law and written EPA and/or MPCA guidance and policy. These response actions will continue until they are completed to the satisfaction of the EPA and the MPCA and in accordance with the FFA.

5. Reservation of Rights

It is recognized that the Grantor, Grantee, and other potentially responsible parties may negotiate a subsequent CERCLA and/or MERLA liability settlement that could affect the terms of this Deed. Grantor and Grantee hereby agree that this Deed is not intended to control the terms of any such subsequent settlement and that such settlement may alter what this Deed may otherwise require or imply regarding the allocation of financial responsibility between Grantor and Grantee for environmental cleanup (including CERCLA and/or MERLA response actions). If necessary, such settlement may be recorded with the Recorder's Office, Anoka County, Anoka, MN. It is further recognized that any such settlement shall not serve to alter the LUC related provisions of this Deed without the prior approval of both U.S. EPA and MPCA. It is further

recognized by the parties that the Navy's agreement herein, consistent with its FFA obligations, to take any necessary additional CERCLA response actions to address hazardous substances remaining on or beneath the property at the time of conveyance, shall not serve as a waiver of its right to recover past or future response costs from Grantee or any other responsible party under CERCLA or other applicable law. Notwithstanding any provisions in this Deed to the contrary, nothing in this deed shall be deemed to release Grantee from liability: under CERCLA or any other applicable law for any release of hazardous substances, pollutants or contaminants, petroleum products, or any other hazardous constituents or forms of pollution caused, contributed to, or exacerbated by Grantee's conduct at the Property. However, Grantee will not be deemed to have assumed CERCLA "owner" liability for releases of hazardous substances, pollutants and contaminants to the environment that occurred prior to this real estate transfer, solely by the act of assuming real property ownership under this Deed. Further, Grantee and any subsequent grantee shall be liable to the Grantor for environmental response costs, as well as personal injury and property damage, to the extent that the Grantee's or subsequent grantee's post-transfer conduct exacerbates existing contamination or creates new releases to the environment at or from the Property. Nothing in this Deed addresses or shall affect the issue of the allowability or allocability of Grantee's environmental remediation/response costs in Grantee's indirect rates for pricing of U.S. Government prime and subcontracts.

C. CIVIL RIGHTS CLAUSE. Grantee covenants for itself, its heirs, successors and assigns that it, its heirs, successors and assigns shall not discriminate upon the basis of race, color, religion, sex, age, or national origin in the use, occupancy, sale or lease of the Property or in its employment practices conducted thereon. The United States of America shall be deemed a beneficiary of this covenant without regard to whether it remains the owner of any land or interest therein in the locality of the property hereby conveyed and shall have the sole right to enforce this covenant in any court of competent jurisdiction.

D. AMENDMENT OR DELETION OF LAND USE CONTROLS

Any or all of the land and groundwater use controls set forth in Section A of this document may be amended or deleted only by written agreement between the EPA, MPCA, the Navy and the then current owner of the Property.

NOTICE OF THE PRESENCE OF ASBESTOS. The Grantee, in accepting this Deed, acknowledges that it has been informed by Grantor that the Property contains asbestos-containing materials, and that Grantee has been provided with the following notice and warning by Grantor. Grantee, in accepting this Deed, acknowledges that it accepts the transfer and Deed of the Property subject to the terms and conditions contained herein:

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a) The Grantee is warned that the Property contains asbestos-containing materials. Asbestos is a hazardous material. Unprotected exposure to asbestos fibers has been determined to significantly increase the risk of cancer, mesothelioma, and asbestosis. These diseases can cause serious bodily harm resulting in disability or death.

b) The Grantee is deemed to have relied solely on its own judgment in assessing the overall condition of all or any portion of the Property, including any asbestos hazards or concerns.

c) No warranties, either express or implied, are given with regard to the condition of the Property including, without limitation, whether the Property does or does not contain asbestos or is or is not safe for a particular purpose. The failure of Grantee to have inspected or to be fully informed as to the condition of all or any portion of the Property shall not constitute grounds for any claim or demand against Grantor.

d) The description of the Property as set forth herein, and any other information provided with respect to the Property was based on the best information available to the General Services Administration's Property Disposal Division and is believed to be correct, but any error or omission shall not constitute grounds or reason for any claim by Grantee against Grantor, including, without limitation, any claim for allowance, refund or deduction from the purchase price for such Property.

e) Grantor assumes no liability for damages for personal injury, illness, disability or death to Grantee or to Grantee's employees, invitees, or any other person subject to Grantee's control or direction, or to any other person, including members of the general public, arising from or incident to the purchase, transportation, removal, handling, use, disposition, or other activity causing or leading to contact of any kind whatsoever with asbestos on the Property.

f) Grantee further agrees by acceptance of the Deed to the Property that, in its use and occupancy of the Property, it will comply with all Federal, State, and local laws, ordinances, orders and regulations relating to asbestos.

NOTICE OF LEAD-BASED PAINT FOR NON-RESIDENTIAL REAL PROPERTY CONSTRUCTED PRIOR TO 1978. The improvements on the Property may contain lead-based paint. By acceptance of this Deed, the Grantee acknowledges that it has been afforded an opportunity to inspect the Property and to test for evidence of lead-based paint. Grantee acknowledges that Grantor shall have no liability for the removal of lead-based paint, nor for any damage or injury related to the existence of lead-based paint on the Property. Grantee shall be responsible for compliance with all applicable Federal, State and/or local laws, ordinances, orders and regulations relating to lead-based paint, including, if required, taking steps for its removal.

OBJECTS AFFECTING NAVIGABLE AIRSPACE. Because of the proximity of the Property to Crystal Airport, Grantee for itself, its heirs, successors and assigns, that if required by applicable law and/or regulations it will prohibit all construction or alteration on the Property unless a determination of no hazard to air navigation is issued by the U.S. Federal Aviation Administration in accordance with Title

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14, Code of Federal Regulations, Part 77, "Objects Affecting Navigable Airspace," (14 CFR Part 77), or under the authority of the Federal Aviation Act of 1958, as amended.

IN WITNESS WHEREOF, the UNITED STATES OF AMERICA, acting by and through the Administrator of General Services has caused these presents to be duly executed for and in its name and behalf by Dennis R. Smith, Regional Administrator, New England Region, General Services Administration, who has this 15th day of June, 2004 hereunto set his hand and seal.

UNITED STATES OF AMERICA
Acting by and through the
Administrator of General Services

Witnesses:

[Signature]
[Signature]

By [Signature]

Regional Administrator
General Services Administration
New England Region, Boston, MA

ACKNOWLEDGEMENT

State of Massachusetts)
) SS.
County of Suffolk)

In Boston, in said County and State, on this 15th day of June, 2004, before me personally appeared Dennis R. Smith, Regional Administrator, General Services Administration, Boston, Massachusetts, duly empowered and authorized, known by me to be the party executing the foregoing instrument and by him duly executed, to be his free act and deed in his capacity as Regional Administrator, General Services Administration, Boston, Massachusetts.

Notary Public

My commission expires:

8-28-09

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ACCEPTANCE

UNITED DEFENSE, L.P., a Delaware limited partnership, by and through its authorized representative, does hereby accept this Quitclaim Deed and by such acceptance agrees to all the terms, covenants, conditions and restrictions therein.

UNITED DEFENSE, L.P.

By: UOLP Holdings Corp.,
its General Partner

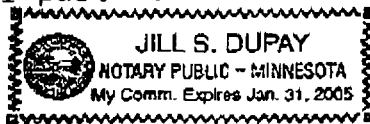
By _____
Its Vice President and
General Manager

6-16-09
Date

STATE OF Minnesota)
) S.S.
COUNTY OF Anoka)

The foregoing instrument was acknowledged before me this 16th day of June, 2004, by K. B. Howe, the Vice President and General Manager * of United Defense, L.P., a Delaware limited partnership, on behalf of the partnership.

*of UDLF Holdings Corp., the
general partner



Notary Public

My commission expires:

JAN 31, 2005

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ACCEPTANCE

The MINNESOTA POLLUTION CONTROL AGENCY, by and through its Commissioner, hereby accepts the LUC approval authorities and Property access rights set forth herein.

June 16, 2004
Date

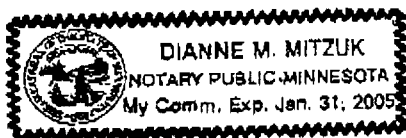
Date _____

By: 

Sheryl Corrigan
Commissioner

STATE OF MINNESOTA)
) S.S.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this 16th day of June, 2004, by Sheryl A. Corrigan, the Commissioner of the Minnesota Pollution Control Agency, a Minnesota body politic, on behalf of the State of Minnesota.



Notary Public

My commission expires: _____

January 31, 2005

This Quitclaim Deed was prepared by Joel David Malkin, Assistant Regional Counsel, General Services Administration, Great Lakes Region, 230 S. Dearborn Street, Suite 3786, Chicago, Illinois 60604.





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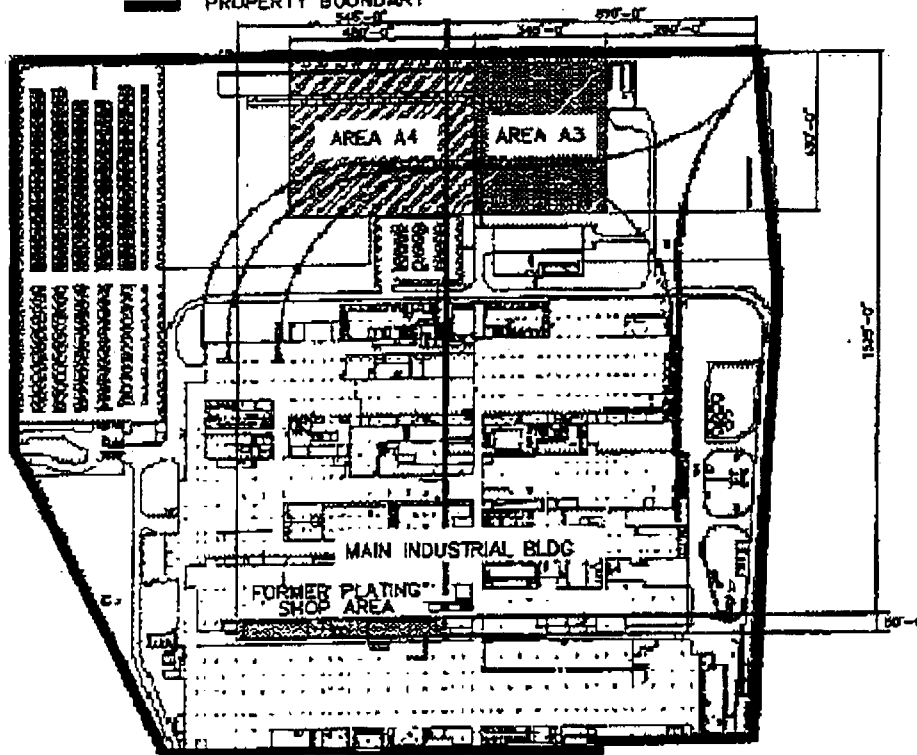
EXHIBIT 1
(LEGAL DESCRIPTION)

That Part of Section 27, Township 30, Range 24, Anoka County, Minnesota, described as follows:
Commencing at the southeast corner of said Section 22; thence on an assumed bearing of South 89 degrees 47 minutes 23 seconds West, along the south line of said Section 27, a distance of 1444.62 feet; thence North 3 degrees 33 minutes 01 second East, at 2125.53 feet, passing through a found bronze monument, and continuing in all a distance of 2126.03 feet to the point of beginning of the land to be described; thence North 89 degrees 22 minutes 47 seconds West a distance of 69.28 feet to the centerline of a building wall in place as of January 1993; thence South 0 degrees 37 minutes 13 seconds West, along said last mentioned wall centerline, a distance of 1.83 feet; thence North 89 degrees 22 minutes 47 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 84.64 feet; thence South 0 degrees 37 minutes 13 seconds West, a distance of 5.05 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 249.59 feet; thence South 0 degrees 37 minutes 13 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 25.45 feet; thence North 89 degrees 22 minutes 47 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 100.28 feet; thence North 0 degrees 37 minutes 13 seconds East, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 8.36 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 109.73 feet; thence North 0 degrees 37 minutes 13 seconds East a distance of 3.01 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 24.93 feet; thence North 0 degrees 37 minutes 13 seconds East a distance of 2.15 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 225.02 feet; thence South 0 degrees 37 minutes 13 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 13.52 feet; thence North 89 degrees 22 minutes 47 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 100.40 feet; thence North 0 degrees 37 minutes 13 seconds East, along the centerline of a building wall in place as of January 1993, a distance of 20.76 feet; thence North 89 degrees 22 minutes 47 seconds West along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 296.28 feet; thence South 0 degrees 37 minutes 13 seconds West a distance of 10.52 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 190.55 feet; thence North 23 degrees 23 minutes 13 seconds West a distance of 640.80 feet to a point distant 150 feet easterly, measured perpendicularly, from a tangent-spiral point on the centerline of East River Road (county state-aid highway No. 1); thence along a line parallel to and distant 150 feet easterly from a spiral curve on said highway centerline, which centerline spiral curve is concave easterly and has a length of 150 feet and a central angle of 2 degrees 15 minutes 00 seconds, to a point distant 150 feet easterly, measured radially, from a spiral-curve point on said centerline (the chord of said last described parallel line bears North 22 degrees 39 minutes 08 seconds West and has a length of 144.10 feet); thence along a circular curve, concave easterly and having a radius of 1759.86 feet, a central angle of 5 degrees 59 minutes 44 seconds, and a chord of 184.07 feet bearing North 18 degrees 08 minutes 21 seconds West, an arc distance of 184.15 feet to a point of non-tangency, from which point a found bronze monument bears North 74 degrees 51 minutes 31 seconds East a distance of 0.39 feet; thence North 0 degrees 39 minutes 06 seconds East a distance of 997.85 feet; thence South 88 degrees 58 minutes 35 seconds East a distance of 1920.50 feet; thence South 4 degrees 32 minutes 59 seconds East a distance of 648.20 feet to a judicial landmark set pursuant to Torrens case No. 123; thence South 3 degrees 33 minutes 01 seconds West a distance of 1210.30 feet to the point of beginning.

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DESIGNATED RESTRICTED AREAS

-  FORMER PLATING SHOP AREA:
NO DISTURBANCE OF SOILS BELOW CONCRETE PIT FLOORS WITHOUT PRIOR WRITTEN APPROVAL OF EPA AND MPCA.
-  AREA A3:
NO DISTURBANCE OF SOILS THREE (3) FEET OR GREATER BELOW GROUND SURFACE WITHOUT PRIOR WRITTEN APPROVAL OF EPA AND MPCA.
-  AREA A4:
NO DISTURBANCE OF SOILS THREE (3) FEET OR GREATER BELOW GROUND SURFACE WITHOUT PRIOR WRITTEN APPROVAL OF EPA AND MPCA.
-  PROPERTY BOUNDARY



DRAWN BY	DATE
MF	7/1/02
CHECKED BY	DATE
COST/SCHED-AREA	
SCALE	
NOT TO SCALE	



EXHIBIT 2
DESIGNATED RESTRICTED AREAS
NAVAL INDUSTRIAL RESERVE
ORDNANCE PLANT
FRIDLEY, MINNESOTA

CONTRACT NO. 6966	
APPROVED BY	DATE
APPROVED BY	DATE
DRAWING NO.	REV. 0

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EXHIBIT 3

Annual LUC Compliance Certification

Property Owner: _____

Property Address: 4800 East River Road, Minneapolis, MN. 55421

This Certification covers the year 1 January _____ through 31 December _____.
(**Note:** Form must be submitted by 1 March of the year following the reporting period. Should there be a change in ownership during the reporting period, the certificate will only cover the period of ownership and the new owner will certify compliance for the remaining portion of the reporting period).

Owner Certification

1. The above-named owner certifies that use of the Property has been limited to industrial or restricted commercial uses, or that owner has provided written notice to the Navy, EPA and MPCA of its intent to use the Property for something other than industrial or restricted commercial uses, and has (i) provided a description of its plans for undertaking any environmental investigation and/or cleanup activities necessary to permit such a change in land usage; (ii) ensured that such activities will not conflict with or adversely affect any ongoing remedial systems or future investigative or remedial activities to be undertaken by the Navy, EPA or MPCA on the Property, and; (iii) obtained a release by the Navy of the Categorical Land Use Restriction previously placed in the owner's deed or chain of title to the property;
2. The above-named owner certifies that no soils deeper than 3 feet below ground surface have been disturbed in those two Designated Restricted Areas outside the Main Manufacturing Building shown in Figure 2-5 of the Navy's September 2003 CERCLA Record of Decision for OU2 / OU3 without having first obtained written approval from the EPA and MPCA. Owner further certifies that no soils excavated from those Areas have been removed from the facility without having first obtained written approval from the EPA and MPCA.
3. The above-named owner certifies that no soils beneath the Designated Restricted Area known as the concrete pit foundations where metal-finishing operations previously occurred at the former Plating Shop within the Main Manufacturing Building have been disturbed without prior written approval from the EPA and MPCA. Owner further certifies that no soils excavated from those Areas have been removed from the facility without having first obtained written approval from the EPA and MPCA.
4. The above-named owner certifies that the concrete pit floor (approximately 8 to 12 feet below grade floor) where metal finishing operations previously occurred at the former Plating Shop within the Main Manufacturing Building has not been removed without prior written approval from the EPA and MPCA.

5. The above-named owner certifies that no water supply wells have been installed nor groundwater beneath the property extracted or used for any purpose without prior written approvals having first been obtained from EPA, MPCA and the Minnesota Department of Health; ; This certification shall not apply to the extent the Owner installed monitoring wells at the request of the Navy.

6. The above-named owner certifies that it has not unreasonably hindered or prevented the Navy, EPA or MPCA from constructing, upgrading, operating, maintaining and monitoring any groundwater treatment facilities and groundwater monitoring network or has otherwise engaged in any activity that: (i) caused the violation of any Health and Safety Plan put into effect by the Navy, EPA or MPCA on the Property and directly related to the Federal Facilities Agreement at the Property; or (ii) disrupted or hindered any other remedial, response or oversight activities being undertaken by the Navy, EPA or MPCA on the property.

I, the undersigned, hereby certify that I am an authorized representative of the above named property owner and that the above described Land Use Controls have been complied with for the period noted. Alternatively, any known deficiencies and owner's completed or planned actions to address such deficiencies are described in the attached Explanation of Deficiency(ies).

Date

Owner's Authorized Representative

Mail completed forms to:

Director, Environmental Services Business Line
Southern Division
Naval Facilities Engineering Command
P.O. Box 190010
North Charleston, SC 29419-0010

U.S. Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604

Commissioner
Minnesota Pollution Control Agency
520 Lafayette Rd. N.
St. Paul, MN 55155

W1:1108440.01

COF

EXHIBIT 4

NOTICE OF HAZARDOUS SUBSTANCE STORAGE, RELEASE, AND/OR DISPOSAL *

Substance	Regulatory Synonym	CAS Registry Number	Quantity Kg/lbs	Date
TCE	Trichloroethene	79-01-6	Reportable	Unknown - 1987
1,1,1-TCA	1,1,1-Trichloroethene	71-55-6	Reportable	Unknown - 1993
MEK	Methyl Ethyl Ketones	78-93-3	Reportable	Unknown
Toluene	Methylbenzene	108-88-3	Reportable	Unknown
Ethylene Glycol	Ethylene Alcohol	107-21-1	Reportable	Unknown
Ammonia, Anhydrous	N/A	7664-41-7	Reportable	Unknown
Sodium Cyanide	N/A	143-33-9	Reportable	Unknown
Chromium	N/A	14977-61-8	Reportable	Unknown
Sulfuric Acid	Hydrogen Sulfate	7664-93-9	Reportable	Unknown
HCL	Hydrochloric Acid	7647-01-0	Reportable	Unknown
Nitric Acid	N/A	7697-37-2	Reportable	Unknown
Chromic Acid	Chromium Trioxide	7738-94-5	Reportable	Unknown
Phosphoric Acid	N/A	7664-38-2	Reportable	Unknown
Hydrofluoric Acid	N/A	7664-39-3	Reportable	Unknown
n-Butyl alcohol	N/A	71-36-3	Reportable	Unknown
Copper	N/A	7440-50-8	Reportable	Unknown
Dichloromethane	Methyl Chloride	75-69-4	Reportable	Unknown
Trichlorofluoromethane	Freon 113	75-69-4	Reportable	Unknown
Methanol	N/A	67-56-1	Reportable	Unknown
Methylene diisocyanate	N/A	101-68-8	Reportable	Unknown
Nickle	N/A	7440-02-0	Reportable	Unknown
Xylene	N/A	1330-20-7	Reportable	Unknown
Sodium hydroxide	Caustic Soda	1310-73-2	Reportable	Unknown

* Note: This notice includes only hazardous substances known to have been stored in reportable quantities, based on a complete search of agency files, in accordance with the requirements of 40 CFR 373. Information regarding constituents that have been detected in soil and groundwater, but for which agency records do not indicate storage, release or disposal in excess of reportable quantities can be found in the OU #3 Remedial Investigation (RI) Report.

EXHIBIT 5

NOTICE OF REMEDIAL ACTIONS TAKEN

For environmental investigation and remediation purposes the NIROP Fridley Facility was divided into three Operable Units (OUs). OU #1 encompasses groundwater contamination. OU #2 encompasses unsaturated source contamination outside the Main Manufacturing Building. OU #3 encompasses source contamination beneath the Main Manufacturing Building and saturated source contamination underneath and outside that same building. The Remedial Investigations ("RI's") for OU #1, OU #2 and OU#3 are complete. The status of investigative activities and a summary of the environmental conditions for each Operable Unit is further described below.

A. OU #1:

One hundred thirty one (131) groundwater monitoring wells were installed by the Navy from 1985 to 2000. Since then, additional wells have been installed to further assess the nature and extent of the contamination in the groundwater. These wells were installed both on and off Navy property. The wells are shallow, intermediate, and deep, and were installed in the surficial aquifer. Monitoring wells are also installed in the Prairie du Chien/Jordan Dolomite aquifer. Monitoring wells are currently sampled on a regular basis pursuant to the FFA. Seventy-four wells were sampled in calendar year 2003. Additional incremental wells are sampled in even-numbered years (2002, 2004, etc). In addition, sampling is conducted for additional wells in the vicinity of ongoing pilot study work.

Elevated concentrations of Volatile Organic Compounds (VOCs) have been detected in the groundwater throughout the Navy property and extending downgradient off-property to pre-existing United Defense, L.P. owned property and the Anoka County Riverfront Park, with trichloroethene (TCE) being the primary constituent of concern. TCE concentrations in the groundwater underneath the Navy property have historically ranged from less than 1 part(s) per billion (ppb) to 140,000 ppb. The nature and extent of contamination in off-property groundwater at Anoka County Riverfront Park was further evaluated during an investigation conducted in December, 1997 using temporary wells, and revealed elevated concentrations of TCE in screening samples up to 37,300 ppb in a 200 by 400 foot area adjacent to East River Road. These results prompted the Navy to install additional permanent monitoring wells in this area. Permanent wells are generally considered to provide more representative groundwater samples. Many of these wells are included in the annual groundwater monitoring network described above. In 2001, groundwater in well MS-46S in this area was found to contain 17,000 ppb of TCE, the highest measured in Anoka County Riverfront Park that year or in 2002. At intermediate and deep well intervals, contaminant concentrations in groundwater are consistently much less. An ongoing pilot study utilizing in-situ bioremediation technology to reduce contaminant levels is in place in the vicinity of this well.

A groundwater extraction, collection and treatment facility was installed to capture contaminated groundwater migrating offsite. There currently are seven active extraction wells located along the western property boundaries of the NIROP and United Defense, L.P. Extracted groundwater from each well is directed to, and combined in, a building where it is then pumped to a groundwater treatment facility in the northwest quadrant of the Main Industrial Building. The contaminated groundwater is treated utilizing shallow tray air strippers to remove the volatile organic compounds with the treated water discharged to the Mississippi River via the facility's storm sewer under a NPDES permit.

The second CERCLA Five Year Review for OU #1 was completed in October 2003, and determined that 'the remedial action for Operable Unit 1 continues to be protective of human health and the environment by preventing further migration of contaminated water off the NIROP facility and continuing to restore groundwater quality in the unconsolidated aquifer at the site'.

The Five Year Review also discusses the ongoing pilot study, noted above, to address contamination remaining downgradient of the NIROP facility (and downgradient of the groundwater extraction system).

B. OU #2:

The only portion of OU #2 that remains a potential concern is an area of unsaturated soils located north of the Main Manufacturing Building known as the North 40. The North 40 contained former waste disposal pits and trenches used in the early 1970's. Drums and impacted soils were removed and disposed of during four separate removal actions in 1983, 1991, 1996 and 2002. The OU #2 RI evaluated unsaturated soils to a depth of 20 feet. Like OU #1, VOCs, with TCE in particular, are the primary contaminants of concern. In general, concentrations of TCE in the North 40 soils were found to be in the range of 10 to 69,000 ppb. TCE contamination in excess of 200 ppb was found in small, localized areas, with the highest concentrations found in shallow subsurface soils (3 - 5 foot depths). In conjunction with the 1996 drum removal effort, samples taken at the bottom of the excavation pits were generally non-detect for TCE except for a single sample with an elevated TCE concentration of 96,000 ppb at an approximate depth of 12 feet. The Supplemental Remediation Investigation Information Report dated September 2001 identified potential unacceptable risk levels in sub areas A3 and A4. This resulted in an excavation of approximately thirty-five cubic yards of soil in Area A4, in June 2002, and addressed the last known location where there were unacceptable risks in surface soil. Elevated levels of contaminants remain in subsurface soil but do not pose an unacceptable risk provided institutional controls are in place to prevent future exposure. A Record of Decision (ROD) specifying these institutional controls was signed by the Navy, US EPA, and MPCA in September 2003. A single ROD addresses both OU #2 and OU #3.

C. OU #3:

In 1995, an investigation was conducted of the soils and groundwater beneath the former Plating Shop within the Main Manufacturing Building as identified in Exhibit 2 (the "Main Building"). This investigation revealed that soils and shallow groundwater are contaminated primarily with TCE. TCE concentrations from 4 to 100,000 ppb were detected in soil. TCE concentrations ranging from 1,200 to 140,000 ppb were detected in shallow groundwater. The highest soil concentrations were found adjacent to a former wastewater collection sump at an approximate depth of 13 feet below ground surface and the highest groundwater concentration was found slightly down gradient from the former sump at the top of the surficial groundwater table, at approximately 16 feet below the former Plating Shop pit floor.

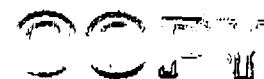
A RI was conducted to assess the condition of soils and groundwater beneath the Navy owned portion of the Main Building. Field efforts were completed by the end of April 1998. The RI indicates that VOCs (primarily chlorinated hydrocarbons, aromatics and ketones) were detected in soils. Semi-volatile organic compounds (SVOC), primarily polyaromatic hydrocarbons (PAH) were also detected in soils ranging from 10 to 5,600 ppb as were metals such as arsenic, chromium, copper and mercury. Chlorinated hydrocarbons were the primary chemicals detected in groundwater samples.

As of December 2003, there have been no soil removal actions or other 'active' remedial action taken concerning OU#3, and as of that date none are anticipated. The unsaturated contaminated soils are secured underneath the Main Manufacturing Building floor and do not pose an unacceptable risk provided institutional controls are in place to prevent future exposure. A ROD specifying these institutional controls was signed by the Navy, US EPA, and MPCA in September 2003. A single ROD addresses both OU #2 and OU #3.

EXHIBIT A

LIST OF MACHINERY AND EQUIPMENT

EQNUM	DESCRIPTION	NAVY ID
00051	BORING AND TURNING MACHINE, VERTICAL; 72	91192-001030
00054	BORING AND TURNING MACHINE, VERTICAL; 96	91192-001026
00055	BORING AND TURNING MACHINE, VERTICAL; 10	91192-001029
00057	BORING & TURNING MACHINE, VERTICAL; 144"	91192-001023
00203	SHAPER VERTICAL, MECHANICAL, PLAIN RAM,	91192-001186
03446	BORING & TURNING MACHINE, VERTICAL; WIDE	91192-001013
04179	HONING MACHINE, INTERNAL, VERTICAL, 14"	91192-000712
04372	BORING, DRILLING & MILLING MACHINE, HORIZ	91192-004788
04414	DRILLING MACHINE, RADIAL, PLAIN HEAD, FL	91192-004839
04427	BORING AND TURNING MACHINE, STANDARD HEA	91192-004851
13015	BORING, DRILLING, MILLING MACH	91192-004941
13023	STRENGTH MATERIALS TESTING MACHINE, IMPA	91192-004950
13186	HONING MACHINE, VERTICAL, INTERNAL, HYDR	91192-005111
13224	BORING & MILLING MACHINE, JIG, WITH VERT	91192-005149
13225	BORING AND TURNING MACHINE, VERTICAL; 12	91192-005150
13255	BORING & TURNING MACHINE, VERTICAL, TURR	91232-001288
13357	DRILLING MACHINE, RADIAL	91192-005259
13376	GRINDING MACHINE, EXTERNAL, CYLINDRICAL,	91192-005276
13393	GEAR SHAPER, EXTERNAL & INTERNAL, SPUR &	91192-005291
13458	BORING AND MILLING, JIG, HORIZONTAL; 4"	91192-005353
13475	GRINDING MACHINE, JIG, VERTICAL, PNEUMAT	91192-005367
13668	GRINDING MACHINE, CYLINDRICAL, INTERNAL	91192-005537
13744	JIG BORING MACHINE	96971-107482
13767	BORING & TURNING MACHINE, VERTICAL, TURR	92666-000755



13829	GEAR SHAPER, EXTERNAL & INTERNAL SPUR GE	96971-105996
13865	JIG BORING & MILLING MACHINE, CAP. 55" M	91192-005605
13868	BORING, DRILLING AND MILLING MACHINE; OPT	91192-005608
14174	BORING, DRILLING AND MILLING MACHINE, PL	00111-317189
14191	JIG BORING MACHINE, OPTICAL, NUMERICALLY	91192-005863
14197	DEVILIEG HORIZ BORING MACH	91192-005862
14404	HORIZONTAL BORING, DRILLING & MILLING MAC	91192-006053
14521	RADIAL DRILL	91192-006170
14573	ROTARY TABLE, HORIZONTAL PLAIN, 12' DIAM	91192-006222
14672	LATHE TRACER SEMI AUTO	000AF-573965
14964	ROCKFORD SINGLE SPINDLE PLANING MILL	91192-006599
14979	MEASURING MACHINE, COORDINATE TYPE, CNC.	91192-006609
14980	ROTARY TABLE, INDEXING, CIRCULAR, POWER F	91192-006610
14986	GRINDER MACHINE, SURFACE, RECIPROCATING,	91192-006614
40035	COMPARATOR, PROJECTION, CONTOUR & MEASUR	91192-006629
40058	MILLING MACHINE, BED TYPE, HORIZONTAL,	91192-006639
40061	MAGNETIC PARTICLE INSPECTION UNIT, STATI	91192-006641
40076	MEASURING SYSTEM, LASER RAY TYPE	91192-006654
40079	SPECTROMETER, ULTRAVIOLET SPECTRUM, 173	91192-006657
40083	POSITIONER, WELDING, TABLE TYPE, POWER	91192-006661
40089	MAGNETIC PARTICLE INSPECTION UNIT, STATI	91192-006663
40092	ROTARY TABLE	91192-006672

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